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Zagreb Stock Exchange

Pursuant to the provision of Article 294 of the Capital Market Act (Official Gazette NN Nos 88/08, 146/08, 74/09, 54/13, 159/13, 18/15, 110/15, 123/16 and 131/17), at its 213th meeting held on 21 August 2018, the Management Board of the Zagreb Stock Exchange Inc. adopted the following

AMENDMENTS TO THE EXCHANGE RULES

Article 1

In Article 4, a new point 19a shall be added after point 19 to read as follows:

“19a. **data subject** means a person who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data or an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that person.”

A new point 20a shall be added after point 20 to read as follows:

“20a. **processor** means a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller.”

A new point 32a shall be added after point 32 to read as follows:

“32a. **personal data processing** means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.”

A new point 34a shall be added after point 34 to read as follows:

“34a. **personal data** – information relating to an identified or identifiable natural person (“data subject”).”

A new point 59a shall be added after point 59 to read as follows:

“59a. **Regulation (EU) No 2016/679** – of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).”

A new point 67a shall be added after point 67 to read as follows:

“67a. **Regulation (EU) No 537/2014** – Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.”

A new point 76a shall be added after point 76 to read as follows:

“76a. **controller** means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data; where the purposes and means of such processing are determined by Union or Member State law, the controller or the specific criteria for its nomination may be provided for by Union or Member State law.”



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Article 2

In Article 14, new paragraphs 7, 8, 9, 10 and 11 shall be added after paragraph 6 to read as follows:

“(7) As a controller of personal data of the persons referred to in paragraphs 1 and 2(1-2) and paragraph 3 of this article, the member firm shall provide to the Exchange the following personal data of such persons:

- a) Person doing broker work, in accordance with paragraph 1 of this article and Article 72 of these Rules:
 - name and surname
 - ID No (OIB)
 - e-mail address
 - telephone number
- b) Person responsible for computer system surveillance:
 - name and surname
 - e-mail address
 - telephone / mobile phone number
- c) Person authorised to take decisions in emergency situations:
 - name and surname
 - e-mail address
 - telephone / mobile phone number
- d) Data of the contact person:
 - name and surname
 - e-mail address
 - telephone / mobile phone number

(8) With regard to personal data referred to in paragraph 7 of this article, the member firm warrants to the Exchange that: (i) all personal data provided relating to such persons are accurate and complete and that they have been collected on valid legal grounds for the processing; (ii) the purpose of the processing known to such persons with regard to their personal data includes the exchange of personal data with the Exchange for the purpose defined in this article; (iii) the member firm has duly and transparently informed those persons of the rights of data subjects laid down in Regulation (EU) No 2016/679 and the applicable Act implementing the General Data Protection Regulation.

(9) With regard to personal data of the persons referred to in paragraph 2(1-2) and paragraph 3 of this article, the Exchange undertakes: (i) to use personal data provided only for the purpose of entering into and performance of the membership agreement under which the member firm provided personal data of the persons referred to in paragraph 2(1-2) and paragraph 3 of this article are provided to the Exchange by the member firm; (ii) that Exchange officers handling personal data concerned have undertaken to observe the confidentiality of personal data; (iii) that it takes appropriate organisational and technical measures to ensure the appropriate level of data security; (iv) to make available at the request of the member firm / persons referred to in paragraph 2(1-2) and paragraph 3 of this article all the information necessary to prove compliance with the obligations of applicable regulations.



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(10) In accordance with the applicable regulation governing archival records and archives, the Exchange is a designated creator of archival and register records and, in accordance with the Special List of Archival and Register Records approved by the Croatian State Archives, it has the obligation to safeguard the data referred to in paragraph 7 of this article permanently.

(11) Detailed information about the collection and processing of personal data by the Exchange are available in the Zagreb Stock Exchange, Inc. Privacy Policy published on the Exchange website.”

Article 3

Article 80 shall be amended as follows:

“(1) If the listing application concerns shares, in addition to documents referred to in Article 79 of these Rules, the applicant shall also enclose the following:

1. minutes of the annual general meeting which adopted a resolution to list the company’s shares on the regulated market, at the first admission of shares to trading on the regulated market;
2. decision on entering the fact of the capital increase in the court register.

(2) When the shares are listed on the Prime Market, the applicant shall also enclose the following:

1. market making contract in respect of the shares concluded between the issuer and the market maker;
2. statement confirming that the issuer has at least one independent member of the supervisory board who has no family, business or other relations with the issuer, majority shareholder or group of majority shareholders or members of the management or supervisory board of the issuer or majority shareholder;
3. statement that at least one member of the audit committee is independent of the issuer;
4. statement by which the issuer of shares referred to in the listing application confirms that it has an investor relations function in place, providing data of the person responsible for investor relations and evidence that the person in question has necessary knowledge and skills in the area of investor relations;
5. dividend policy.

Article 4

Article 99 shall be amended as follows:

“Shares to be listed / admitted to trading on the Prime Market shall meet the criteria laid down in Article 96(1) of these Rules and additional criteria laid down in this section.”

Article 5

New articles 99a, 99b, 99c, 99d, 99e, 99f and 99g shall be added to read as follows:

“Article 99a

- (1) At least 35 % of the shares referred to in the listing application shall be distributed to the public.
- (2) The issuer shall have at least 1000 shareholders.



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Article 99b

The expected market capitalisation of shares in respect of which a listing application has been submitted must be at least HRK 500,000,000.

Article 99c

The issuer of shares in respect of which a listing application has been submitted shall enter into a market making contract in respect of the shares being listed with at least one market maker.

Article 99d

The supervisory board of the issuer shall have at least one independent member who has no family, business or other relations with the issuer, majority shareholder or group of majority shareholders or members of the management or supervisory board of the issuer or majority shareholder.

Article 99e

- (1) At least one member of the audit committee shall be independent of the issuer.
- (2) Audit committee members shall be deemed to be independent if they can be considered independent within the meaning of the Audit Act and other regulations governing the audit committee.

Article 99f

- (1) The audit report must not contain modifications of the auditor's opinion (qualified opinion, negative opinion or abstention from opinion) prepared in accordance with the International Standards on Auditing or other globally acceptable standards.
- (2) The provision of paragraph 1 of this article shall apply even if semi-annual financial statements of the issuer have been audited.
- (3) If the total fees received by the statutory auditor or the audit firm or, when applicable, by the group auditor from the issuer in the last financial year exceed the threshold set in Article 4(3) of Regulation (EU) No 537/2014, the issuer shall disclose the outcome of the audit committee discussion of the threats to the independence of the statutory auditor or the audit firm or, where applicable, the group auditor and the safeguards applied to mitigate those threats and whether the audit engagement should be subject to an engagement quality control review by another statutory auditor or audit firm prior to the issuance of the audit report.
- (4) The provisions of paragraphs 1 through 3 of this article shall also apply to the issuer which is required to prepare consolidated financial statements.

Article 99g

- (1) The issuer shall have an investor relations function in place with at least one designated person having necessary knowledge and skills in the area of investor relations.



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(2) The issuer shall continually maintain an appropriate degree of expertise of the persons referred to in paragraph 1 of this article.

Article 99h

If the Prime Market listing application refers to shares already listed / admitted to trading on the regulated market, the issuer of share must not have imposed a market protection measure under the Exchange Rules for a period of 1 (one) year prior to the date of submission of the Prime Market listing application.”

Article 6

In Article 111, a new paragraph 3 shall be added after paragraph 2 to read as follows:

“(3) With regard to personal data of insiders contained in the list of insiders, the issuer warrants to the Exchange that: (i) all personal data provided relating to such persons are accurate and complete and that they have been collected on valid legal grounds for the processing; (ii) the purpose of the processing includes the exchange of personal data with the Exchange; (iii) the issuer has duly and transparently informed those persons of the rights of data subjects laid down in Regulation (EU) No 2016/679 and the Act implementing the General Data Protection Regulation.”

Article 7

In Article 116, new paragraphs 2 and 3 shall be added to read as follows:

“(2) The notification referred to in paragraph 1 of this article shall submit personal data of any persons discharging managerial responsibilities within the issuer and persons closely associated with them.

With regard to personal data concerned, the issuer warrants to the Exchange that: (i) all personal data provided relating to such persons are accurate and complete and that they have been collected on valid legal grounds for the processing; (ii) the purpose of the processing includes the exchange of personal data with the Exchange; (iii) the issuer has duly and transparently informed those persons of the rights of data subjects laid down in Regulation (EU) No 2016/679 and the Act implementing the General Data Protection Regulation.

(3) Personal data referred to in paragraph 2 of this article received by the Exchange shall be disclosed to the public on the Exchange website.”

Article 8

New articles 133a and 133b shall be added after Article 133 to read as follows:

“Article 133a

Information on the independent status of the supervisory board referred to in Articles 99d of these Rules shall be disclosed to the public by the issuer once a year, within the first eight months of the financial year.



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Article 133b

Information on the independent status of the audit committee referred to in Articles 99e of these Rules shall be disclosed to the public by the issuer once a year, together with the publication of its annual report.”

Article 9

Article 134 shall be amended as follows:

“(1) After their disclosure to the public or simultaneously with it, the issuer shall present the annual accounts in conferences to interested financial analysts and representatives of the media.

(2) Information on the place, time and manner of presentation of the annual accounts shall be disclosed to the public by the issuer before the conference is held.”

Article 10

The heading above Article 135 and Article 135 shall be amended to read as follows:.

“Dividend Policy

Article 135

The issuer shall develop and disclose to the public its dividend policy with all subsequent amendments thereto as soon as a change occurs.”

Article 11

The heading above Article 136 and Article 136 shall be amended to read as follows:.

“Audit Report and Auditor’s Opinion

Article 136

(1) The audit report must not contain modifications of the auditor’s opinion (qualified opinion, negative opinion or abstention from opinion) prepared in accordance with the International Standards on Auditing or other globally acceptable standards.

(2) The provision of paragraph 1 of this article shall apply even if semi-annual financial statements of the issuer have been audited.

(3) If the total fees received by the statutory auditor or the audit firm or, when applicable, by the group auditor from the issuer in the last financial year exceed the threshold set in Article 4(3) of Regulation (EU) No 537/2014, the issuer shall disclose the outcome of the audit committee discussion of the threats to the independence of the statutory auditor or the audit firm or, where applicable, the group auditor and the safeguards applied to mitigate those threats and whether the audit engagement should be subject to an engagement quality control review by another statutory auditor or audit firm prior to the issuance of the audit report.



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(3) The audit committee discussion of the threats to the independence must be held for each year in which the amount of total fees received by the statutory auditor or the audit firm or, when applicable, by the group auditor from the issuer exceeds the threshold set in Article 4(3) of Regulation (EU) No 537/2014.

(5) The issuer shall submit any resolutions referred to in paragraph 3 of this article to the Exchange not later than the opening of trading on the following trading day.

(6) The provisions of paragraphs 1 through 5 of this article shall also apply to the issuer which is required to prepare consolidated financial statements.

Article 12

In Article 184, new paragraphs 4, 5 and 6 shall be added after paragraph 3 to read as follows:

“(4) With regard to data referred to in paragraph 1(8) of this article, which may be considered personal data of the data subject, the member firm warrants to the Exchange that it has regulated its mutual relations with the client in a manner allowing unhindered provision of the data concerned to the Exchange. With regard to data referred to in paragraph 1(9-10) of this article, which is considered personal data of the data subject, the member firm warrants to the Exchange that: (i) all personal data provided relating to such persons are accurate and complete and that they have been collected on valid legal grounds for the processing; (ii) the purpose of the processing known to such persons with regard to their personal data includes the exchange of personal data with the Exchange for the purpose defined in this article; (iii) the member firm has duly and transparently informed those persons of the rights of data subjects laid down in Regulation (EU) No 2016/679 and the Act implementing the General Data Protection Regulation.

(5) Personal data referred to in paragraph 4 of this article shall be collected and processed by the Exchange for the purpose of fulfilment of the legal obligations to which the Exchange is subject.

(6) In accordance with applicable regulations governing archival records and archives, the Exchange is a designated creator of archival and register records and, in accordance with the Special List of Archival and Register Records approved by the Croatian State Archives, it has the obligation to safeguard the data referred to in this article permanently.”

Article 13

In Article 232(4), new sentences shall be added after the full stop to read as follows:

“The name and surname of the Conflict of Interest Committee member and the grounds on which the member has been appointed shall be published on the Exchange website. In accordance with applicable regulations governing archival records and archives, the Exchange is a designated creator of archival and register records and, in accordance with the Special List of Archival and Register Records approved by the Croatian State Archives, it has the obligation to safeguard the data referred to in this article permanently.”



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Article 14

In Article 268(4), new sentences shall be added after the full stop to read as follows:

“The name and surname of the Committee for Market Protection Measures member and the grounds on which the member has been appointed shall be published on the Exchange website. In accordance with applicable regulations governing archival records and archives, the Exchange is a designated creator of archival and register records and, in accordance with the Special List of Archival and Register Records approved by the Croatian State Archives, it has the obligation to safeguard the data referred to in this article permanently.”

Article 15

Article 284 shall be amended as follows:

“The Exchange pays special attention to the protection of privacy and the protection of data subjects’ personal data. Information on the processing and protection of data subjects’ personal data are provided in the Zagreb Stock Exchange, Inc. Privacy Policy published on the Exchange website, while the specifics of particular processing of personal data by the Exchange are defined in certain agreements and in the general terms of Exchange service provision.”

Article 16

These amendments to the Rules shall enter into force on the 7th (seventh) day from the date of the Croatian Financial Services Supervisory Agency approval.